

City of Detroit

CITY COUNCIL

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TO: COUNCILMEMBERS

FROM: Irvin Corley, Jr., Fiscal Analysis Director *ICJ*
Anne Marie Langan, Deputy Director Fiscal Analysis *AML*

DATE: January 12, 2009

RE: Fiscal Review of the Proposed Capital Agenda, 2009-10 through 2013-14

The Administration has presented to the City Council for their review and approval a proposed Five Year Capital Agenda for the years 2010 through 2014. The recommended five-year capital planning program totals \$4.93 billion, an increase of 16% over the last approved five-year Capital Agenda (March 2007), which totaled \$4.2 billion.

To assist Council in reviewing the Capital Agenda, the pertinent financial data has been compiled from the Agenda and attached to this report.

This proposed Capital Agenda follows a similar format as the last one. There are three sections: Section 1 covers the city's agencies that are included in the Capital Agenda; Section 2 introduces city-wide initiatives that are part of the recommended Capital Agenda and affect multiple departments; Section 3, entitled, "Related Agencies and Programs", refers to initiatives that are taking place in the city proper and entities that either have close relationships with the city government or have direct funding from the city.

In this agenda as in the past, a column of information has been added to each department's Capital Agenda Spreadsheet entitled, "Impact on Budget". These spreadsheets are found with the departmental narratives between pages 49-404. These columns indicate to the reader whether a particular proposed capital project is thought to affect future annual General Fund operating budgets because,

1. the proposed capital project will require additional staffing when completed, or
2. the proposed capital project will require an increase of funding in order to operate or be properly maintained, or
3. the proposed capital project will result in a reduction of funding needed by the department in the annual operating budget, or
4. the proposed capital project will have no impact on the annual operating budget.

These potential funding impacts on the budget have not been quantified in this Capital Agenda, but the level of information provided does begin to integrate the proposed outcomes of the Capital Agenda projects with the annual City Budget. Section 8-202 of the City Charter as amended in 1997, states that the Capital Agenda shall provide the estimated annual cost of operating the facilities to be constructed or acquired.

In comparing the newly proposed Capital Agenda to the last one in 2007, the departmental programs have changed very slightly. The General Services Department, except for the Vehicle Management Program component, was shifted from Section 2 "City-wide Initiatives" and is now located in Section 1 under Departmental Programs.

Capital Agenda as a Planning Tool

It is important to review this Capital Agenda in the proper context. It is simply a planning document prepared every 2 years for a five-year timeframe. The stated project prioritization can shift at any point in time as it often has in previous years. Once Council approves the Agenda, the city still has no legal authority to carry out any of the projects. Requests for funding as well as contracts for the particular project work would still come before Council for authorization.

There are no secured appropriations as a consequence of approval of this document. Appropriations still must both be budgeted and authorized in the annual budget process or some other sort of financing plan has to be secured and brought before Council for authorization.

Of the \$4.93 billion that is recommended in the five-year plan, \$252.06 million is anticipated to come from general obligation (g.o.) bonds, approximately 5.11% of the total. This agenda assumes both a positive financial market in which to sell the existing bond authorization balances and assumes a successful appeal to the voters for the necessary additional bond authorizations within the next five years.

This proposed Capital Agenda plans that the remaining 95% of the financing for the proposed capital projects - cash capital (general fund appropriations), private grant funds, block grant, revenue bonds, street and highway grants, transportation grants, housing and aviation grants, miscellaneous funding sources and unidentified funding sources - will be accessible at the necessary time.

Review of Proposed Funding Sources

While the 2009 through 2014 capital program presented to Council is recommended at \$4.93 billion, this proposed Capital Agenda describes capital projects that total \$7.36 billion. These projects include the current 2008-09 budget of \$1.07 billion and the five-year capital agenda of \$4.93 billion. There are projects totaling \$1.35 billion which have been described but listed as unprogrammed due to the uncertainty of finding any additional capital financing greater than \$4.93 billion in the next 5 years. Attached is a Capital Agenda Summary by Funding Source that shows the projected sources of funding.

General Obligation Bonds

As stated on page 17 of the Proposed Capital Agenda, General Fund Departments have traditionally relied on General Obligation Unlimited Tax Bonds for capital projects. The city's ability to sell G.O. Bonds is based on three factors: 1.) a satisfactory bond rating in order to incur the least amount of debt when raising capital, 2.) an available unissued authorized amount based on a vote of the people and 3.) available general debt margin.

1.) City of Detroit Bond Rating:

Since 1986, when the City of Detroit regained the "investment grade level" rating by the bond rating firms for the first time in six years on its general obligation debt, the city has had 18 separate G.O. bond sales, averaging \$47 million per sale.

The city lost the investment grade rating in 1992 due to Moody's Investors Service's determination that there were several inconsistencies in the city's financial and economic performance. In October 1996, that decision was reversed and the city again was raised to an investment grade (Baa) rating by Moody's. This qualified the city for bond insurance that elevated the rating to Aaa, which let the city save more than 1 percentage point on the interest rate on any new bonds sold.

Through the last bond sale in June 2008, all three rating agencies continue to give the city triple A's for general obligation bonds (unlimited tax) when a letter of credit or a municipal bond insurance policy is purchased to guarantee payment.

Just this month, Standard and Poor's down graded the city's rating to junk bond status. It is not clear if the other rating houses will follow with a downgrade and if this action will put a stop to raising capital dollars through bond sales at this time.

2.) Unissued Bond Authorization:

Of the \$1.01 billion in general bond authorizations that have been approved by voters since 1978, \$843 million have been sold, so there is authorization totaling \$158 million that is still unissued but available to be sold with Council authorization. In December 2008, the Administration requested and Council authorized the proposed sale of the 2007-08 and the 2008-09 appropriated bond sales, which total \$102.2 million of the remaining \$158 million yet unissued leaving the available remaining balance at \$55.8 million, if the \$102.2 million was sold.

3.) Legal Debt Margin:

State law limits the amount of general obligation debt a city may have at one time. With some exceptions, debt must be no more than ten percent of the assessed value of all real and personal property in the city. As reported to Council in the materials during the 2008-2009 Budget review, the "General Purpose Debt Limit" for FY 2008-2009 was estimated to be \$1.53 billion, 10% of the property valuation of \$15.3 billion. The "Outstanding Debt" was determined to be \$700 million, leaving a General Debt Margin of \$827 million.

Cash Capital

This is simply another way of saying General Fund Operating Appropriations. In this Proposed Capital Agenda, any proposed cash capital is matching funds for grant money. Prior to 1986, when the city's investment rating was so low, most capital projects were paid for with cash capital.

The Airport receives FAA grants, which often require a local match. Those matching funds are included in the Capital Agenda as cash capital.

Private Funds

This source of funding applies for the most part to the DIA, the Zoological Institute and the Historical Museums, departments that have related non-profit associations that exist to assist in fundraising to cover some portion of the expenses of these institutions.

Other Identified Sources (Miscellaneous)

There are many millions appropriated in miscellaneous grants. They include Passenger Facility Charges (Airport), Renewal and Replacement Fund (Civic Center), Wayne County bond funds (Historical), Skillman Grant (Library), Bureau of Justice Grant (Police), State TIP, and miscellaneous state grants and federal grants.

Unidentified Sources

At the time of publication of this document, the administration was not able to pinpoint the exact source of funding for certain projects. The department staffs felt strongly enough about these projects' importance to include them. These are still considered high priority items.

The one project with unidentified sources of funding is the following:

Environmental Affairs

2009-10	Uniroyal Redevelopment Project	\$	100,000
2010-11	Uniroyal Redevelopment Project	\$	100,000
2011-12	Uniroyal Redevelopment Project	\$	100,000

Revenue Supported Funds

Several of the city's enterprise departments sell revenue bonds that do not fall within the limitations of the General Obligation Bond program: Municipal Parking, Water and Sewerage.

Federal and State Funding

These sources include Community Development Block Grant Funds, Aviation Grants, Public Housing Grants, Federal Highway and Transportation Grants, State Gas and Weight Tax.

Unprogrammed Funds

There are unprogrammed projects totaling \$1.35 billion. The administration and the departments would like to see these projects implemented as soon as possible. However due to insufficient funding sources there is very little chance that any of this work will take place in the next five years.

Recommended G.O. Bond Project Funding for Fiscal Year 2009-2010

The Proposed Capital Agenda lists the Administration's priorities for capital projects that existed many months before this report was presented to Council. While these priorities could change by the time the 2009-2010 Executive Budget is presented to Council in April, the proposal should be similar. The breakdown of the proposed \$50.795 million bond sale is in the attached report "Capital Agenda Summary by Funding Source" under the General Obligation Bonds category which is page 52 of the Capital Agenda. The specific projects are listed in the agency detail section.

Capital Agenda Project Detail - Financial Considerations & Questions

Budget Department

1. What analysis has been done by the departments in conjunction with Budget to determine if any of the existing encumbrances totaling \$31.7 million are valid or if they can be liquidated and moved to free balance to be used to complete ongoing projects?
2. Is it correct to say that the free balance of \$103.8 million as of October 2008 is overstated by \$50 million because the 2007-2008 budgeted bond sale was not yet sold? Are the actual free balances of \$53 million still to be used for the projects originally planned or are there plans for reprogramming?
3. What steps are being made to more completely comply with the language Section 8-202 of the City Charter as amended in 1997 which states that the Capital Agenda shall provide the estimated annual cost of operating the facilities to be constructed or acquired?
4. Has the analysis of the arbitrage requirements been completed? What was the outcome?

Airport

1. Is the Administration actually in negotiations or close to negotiations in a public/private partnership?

2. Please explain in detail how this expansion project can realize a 775% return on investment.

General Services Department

1. Has the role of the General Services Department shifted in terms of having input and a relationship with the Detroit Building Authority with respect to capital project specifications and the approval process for plans?

Housing Commission

1. Has the City made capital infrastructure improvement funding commitments for the Housing Commission's capital projects, besides Gardenvue?
2. Why has the Detroit Building Authority not yet begun the infrastructure projects for the Gardenvue development? What is the timetable for this project? Are all the funds in place to complete it?

Concluding Remarks

The amount of funding received through state and federal grants is what truly shapes the outcome of the city's capital agenda. Just looking at general fund agencies (exclude Water, Sewerage and Municipal Parking), the majority of the capital dollars are grant dollars.

Because there are so many limited funding sources, the departments with large free bond balances should explain why those existing projects haven't been completed and report how many of those dollars are available to be reprogrammed.

We would ask that the Budget Department respond to the above questions or have the necessary departments provide any data.

Attachments

cc: Council Divisions
Michael Adebayo, City Planning Commission
David Teeter, Research and Analysis Division
Loren Monroe, Auditor General
Joseph Harris, Finance Director
Pamela Scales, Budget Director
Renee Short, Budget Department
Arese Robinson, Mayor's Office

HISTORY OF VOTER AUTHORIZATIONS (From 1978 to present)

AGENCY	(11-7-78)	(8-5-80)	(11-4-86)	(8-2-88)	(8-4-92)	(8-6-96)	(11-4-97)	(11-7-00)	(11-6-01)	(4-29-03)	(11-02-04)	TOTALS
AIRPORT								\$5,000,000 (ed)			\$5,000,000	\$10,000,000
DETROIT INSTITUTE OF ARTS				\$25,000,000				25,000,000				50,000,000
CIVIC CENTER								3,000,000 (mf)			9,000,000	12,000,000
CULTURAL, ARTS & TOURISM											2,000,000	2,000,000
PLANNING & DEVELOPMENT			\$33,800,000	65,000,000	\$62,000,000		\$35,000,000	25,000,000 (ed)			19,000,000	239,800,000
PUBLIC WORKS							3,500,000 (mf)	5,000,000 (mf)			6,000,000	14,500,000
FIRE	\$3,400,000	\$5,725,000					7,500,000 (ps)	6,000,000 (ps)			17,500,000	40,125,000
HEALTH			4,300,000		6,000,000		1,000,000 (mf)	5,000,000 (mf)			7,500,000	23,800,000
HISTORICAL							2,000,000 (cf)	6,000,000 (cf)	\$20,000,000			28,000,000
LIBRARY							7,500,000					7,500,000
POLICE	7,500,000		3,500,000				7,500,000 (ps)	6,000,000 (ps)			78,000,000	102,500,000
PUBLIC LIGHTING	6,600,000	14,600,000	20,500,000	40,000,000	28,000,000		40,000,000	30,000,000			22,000,000	201,700,000
RECREATION	17,150,000		1,410,000	35,000,000	14,000,000	\$12,000,000	30,000,000 (cf)	36,000,000 (cf)			14,000,000	159,560,000
TRANSPORTATION							3,000,000 (mf)	5,000,000 (mf)			27,000,000	35,000,000
ZOOLOGICAL INSTITUTE	800,000		3,590,000	9,000,000	5,000,000	3,000,000	6,000,000 (cf)	10,000,000 (cf)			8,000,000	45,390,000
C.H. WRIGHT MUSEUM OF AFRICAN-AMERICAN HISTORY					20,000,000	10,000,000		4,000,000 (cf)		\$6,000,000		40,000,000
TOTALS	\$35,450,000	\$20,325,000	\$67,100,000	\$174,000,000	\$135,000,000	\$25,000,000	\$143,000,000	\$171,000,000	\$20,000,000	\$6,000,000	\$215,000,000	\$1,011,875,000

(cf) CULTURAL FACILITIES
(ed) ECONOMIC DEVELOPMENT
(mf) MUNICIPAL FACILITIES
(ps) PUBLIC SAFETY

HISTORY OF GENERAL OBLIGATION BONDS SALES

DEPARTMENTS	Sep '87 - Dec '93 Sales	Aug '95 Sale	Nov '96 Sale	Dec '97 Sale	April '99 Sale	Dec '99 Sale	Aug 2001 Sale	Aug 2002 Sale *	Oct 2003 Sale	Aug 2004 Sale	Dec 2005 Sale	June 2008 Sale	TOTAL BOND SALES **
AIRPORT						\$ 1,500,000	\$ 2,550,000	\$ 135,000	\$ 500,000	\$ 2,000,000		\$ 2,000,000	\$ 8,685,000
D.I.A. (also see Non-Dept)	\$8,405,000		\$3,000,000	\$2,250,000	\$3,000,000	3,000,000						5,150,000	24,805,000
CIVIC CENTER							1,600,000	1,400,000					3,000,000
CULTURAL, ARTS & TOURISM										400,000			400,000
D.P.W.					1,000,000	500,000	3,600,000				\$2,000,000		7,100,000
D.O.T/DTC							1,000,000	7,000,000			10,000,000		18,000,000
FIRE	3,575,000	500,000	1,300,000	1,000,000	1,500,000	1,500,000	5,000,000	1,500,000		1,500,000	2,600,000	1,900,000	21,875,000
HEALTH	4,300,000	3,800,000				1,200,000	2,000,000	1,000,000	1,000,000	1,000,000		1,000,000	15,300,000
HISTORICAL					1,300,000	300,000	400,000	2,265,000	2,000,000	1,650,000		500,000	8,415,000
PLANNING & DEVELOPMENT	100,245,000	35,010,000	8,000,000	12,000,000	3,000,000	8,000,000	26,000,000	5,000,000	13,100,000	3,000,000	1,000,000	6,000,000	220,355,000
Eastern Market	500,000	1,000,000									400,000		1,900,000
POLICE	7,040,000	3,960,000			1,500,000	2,000,000	5,900,000	1,000,000		6,150,000	20,500,000	5,000,000	53,050,000
PUBLIC LIGHTING	81,300,000		6,000,000	20,000,000	16,500,000	9,700,000	13,455,000	6,800,000	7,800,000	10,000,000	2,800,000	12,900,000	187,255,000
RECREATION	53,560,000	14,000,000	5,000,000	7,000,000	6,800,000	8,500,000	15,150,000	5,300,000	8,400,000	6,750,000	5,400,000	17,550,000	153,410,000
ZOO	13,390,000	5,000,000	1,000,000	2,000,000	2,000,000	2,300,000	3,500,000	2,100,000	2,200,000	3,450,000	1,000,000	5,000,000	42,940,000
LIBRARY					2,500,000	1,500,000	3,500,000						7,500,000
NON-DEPARTMENTAL													
African-American Museum	6,500,000	13,500,000	10,000,000				1,000,000	1,500,000	4,000,000	1,500,000		1,000,000	39,000,000
DIA							10,345,000	5,000,000	5,000,000	5,000,000	4,700,000		30,045,000
Debt Service													
APPROPRIATION/UNSOLD PROJECTS		(26,770,000)			5,000,000	5,000,000	10,000,000	5,000,000	1,770,000				-
GRAND TOTAL	\$ 278,815,000	\$ 50,000,000	\$ 34,300,000	\$ 44,250,000	\$ 44,100,000	\$ 45,000,000	\$ 105,000,000	\$ 45,000,000	\$ 45,770,000	\$ 42,400,000	\$ 50,400,000	\$ 58,000,000	\$ 843,035,000

Note:

@ includes \$2,558,500 (Bond Insurance & Discount) and project account totals

* The August 2002 bonds were sold at a premium of \$1,212,628.17. This premium payment is considered principal and reduces the remaining voter authorization by a similar amount. The premium was allocated to the participating agencies on a pro-rata basis.

** Does not include December 2005 bond sale premium of \$2,100,000 (rounded- see above). The total bond sales with premium amounts to \$788,345,000

General Obligation Bond Sale and Remaining
Authorization (in millions)

***** VOTER AUTHORIZATION *****							
Authorized Bond Issue Name	Authority	Date	Authorized Amount	Issued (assumes FY07-08 bonds sold)	Remaining Authorization	FY08-09 Bond Sale (Budget)	Remaining Authorization
DETROIT INSTITUTE OF ARTS	Electorate	11/7/00	25.000	25.000	\$0.000	\$0.000	0.000
PUBLIC LIGHTING	Electorate	11/4/97	40.000	40.000	0.000		
	Electorate	11/7/00	30.000	30.000	0.000	0.000	0.000
	Electorate	11/2/04	22.000	14.765	7.235	7.000	0.235
TOTAL PUBLIC LIGHTING			92.000	84.765	7.235	7.000	0.235
ECONOMIC DEVELOPMENT							
1. Planning and Development	Electorate	11/7/00	25.000	25.000	0.000	0.000	0.000
	Electorate	11/2/04	19.000	11.205	7.795	0.000	7.795
2. Airport	Electorate	11/7/00	5.000	5.000	0.000	0.000	0.000
TOTAL ECONOMIC DEVELOPMENT			49.000	41.205	7.795	0.000	7.795
CULTURAL FACILITIES:							
1. Eastern Market (Formerly Cultural, Arts & Tourism)	Electorate	11/2/04	2.000	1.800	0.200	0.000	0.200
2. Recreation	Electorate	11/7/00	36.000	36.000 II.	0.000	0.000	0.000
	Electorate	11/2/04	12.000	12.000 III.	0.000	0.000	0.000
3. Zoo	Electorate	11/7/00	10.000	10.000	0.000		0.000
	Electorate	11/2/04	8.000	8.000 III.	0.000	0.000	0.000
4. Historical	Electorate	11/7/00	6.000	5.980	0.020	0.000	0.020
5. Museum of African-American History	Electorate	11/7/00	4.000	3.545	0.455	0.455	0.000
TOTAL CULTURAL FACILITIES			78.000	77.325	0.675	0.455	0.220
MUNICIPAL FACILITIES:							
1. Public Works	Electorate	11/7/00	5.000	5.000 I.	0.000	0.000	0.000
2. Health and Wellness Promotion	Electorate	11/7/00	5.000	4.880	0.120	0.000	0.120
3. Transportation	Electorate	11/4/97	3.000	3.000	0.000	0.000	0.000
	Electorate	11/7/00	5.000	5.000	0.000	0.000	0.000
4. Civic Center	Electorate	11/7/00	3.000	3.000	0.000	0.000	0.000
TOTAL MUNICIPAL FACILITIES			21.000	20.880	0.120	0.000	0.120

**General Obligation Bond Sale and Remaining
Authorization (in millions)**

***** VOTER AUTHORIZATION *****							
Authorized Bond Issue Name	Authority	Date	Authorized Amount	Issued (assumes FY07-08 bonds sold)	Remaining Authorization	FY08-09 Bond Sale (Budget)	Remaining Authorization
PUBLIC SAFETY:							
1. Police Facilities	Electorate	11/4/97	7.500	7.500	0.000	0.000	0.000
	Electorate	11/7/00	6.000	9.080	-3.080 ***	0.000	0.000
	Electorate	11/2/04	78.000	40.500	37.500	17.500	20.000
2. Fire & EMS	Electorate	11/4/97	7.500	4.420	3.080 ***	0.000	0.000
	Electorate	11/7/00	6.000	6.000	0.000	0.000	0.000
	Electorate	11/2/04	17.500	5.875	11.625	5.500	6.125
3. Health and Wellness Promotion	Electorate	11/2/04	7.500	6.000	1.500	1.500	0.000
4. Civic Center	Electorate	11/2/04	9.000	0.000	9.000	0.000	9.000
5. Department of Public Works	Electorate	11/2/04	6.000	4.430	1.570	0.000	1.570
6. Recreation Department	Electorate	11/2/04	2.000	2.000	0.000	0.000	0.000
TOTAL PUBLIC SAFETY			147.000	85.805	61.195	24.500	36.695
TRANSPORTATION IMPROVEMENTS							
1. Department of Transportation	Electorate	11/2/04	12.000	0.000	12.000	0.000	12.000
2. Detroit Transportation Corporation	Electorate	11/2/04	15.000	10.000	5.000	0.000	5.000
3. Airport	Electorate	11/2/04	5.000	1.440	3.560	3.500	0.060
TOTAL TRANSPORTATION IMPROVEMENTS			32.000	11.440	20.560	3.500	17.060
HISTORICAL MUSEUM	Electorate	11/6/01	20.000	2.800	17.200	17.200	0.000
LIBRARY	Electorate	11/4/97	7.500	7.500	0.000	0.000	0.000
Museum of African-American History	Electorate	4/29/03	6.000	5.500	0.500	0.500	0.000
Debt Service				0.003	(0.003) I.	0.000	(0.003)
Bonds Approved/ Unissued **	n/a	n/a	n/a	0.000	0.000	0.000	0.000
TOTALS			\$477.500	\$362.220	\$115.280	\$53.155	\$62.125

** The August 1995 bond sale of \$50.000M funded \$76.770M of appropriated projects. To date an additional \$76.770M has been sold to cover these projects. This commitment has been fulfilled.

*** Authorization to fund mandatory Police projects for the FY04-05 was overcommitted by (-3.080); authorization was transferred from the Fire Dept. as permitted under the voter approved FY05 proposal. The Fire Dept. remaining authorization was 0.6250.

I. The August 2002 bond sale resulted in a premium which is considered a reduction in voter authorization. The premium amounts allocated to the agencies are rounded to the nearest 1,000; the residual amount was charged to Debt Service (\$2,628). Total premium amount was \$1,212,628.

DPW remaining authorization was reduced by \$250,000 for premium amounts allocated to Civic Center (40,000) and DOT (210,000), both have no remaining authorization.

II. FY05 Bond Sale for Recreation includes \$400,000 for the Eastern Mkt, now under the Culture, Arts & Tourism Dept. Also includes City Council additional project for Paradise Valley Mom.

III. The December 2005 bond sale resulted in a premium of \$2.1 million allocated to Recreation (\$700,000) and Zoo (\$1,400,000).

HISTORY: ALLOCATION OF INTEREST EARNED FROM BOND SALES

***** pro-rated per project *****											
AGENCY	FY1989-90	FY1990-91	FY1991-92	FY1992-93	FY1993-94	FY1994-95	FY1995-96	FY1996-97	FY1997-98	FY1998-99	FY1999-00
AIRPORT										\$	250,000
DETROIT INSTITUTE OF ARTS			134,000								
CIVIC CENTER											
AFRICAN-AMERICAN MUSEUM								4,945,000		2,850,000 **	
FIRE		236,000	92,000								1,000,000
GENERAL SERVICES											
HEALTH	1,330,000	2,417,000	246,000								
HISTORICAL											
LIBRARY											
LIGHTING	405,000	362,000	2,813,000						1,100,000		491,000
PLANNING & DEVELOPMENT	860,822	2,162,000	2,212,000	6,000,000	6,336,900	5,493,300			2,034,500		500,000
POLICE	700,000	1,106,000	232,000	1,500,000			3,300,000		1,500,000		1,250,000
PUBLIC WORKS											
RECREATION	135,000	291,000	1,280,000				1,000,000		2,000,000	2,238,000 **	750,000
ZOO			283,000								
DEBT SERVICE				363,000							
BOND INSURANCE & DISCOUNT									858,000	800,500	900,000
PROJECT ACCOUNTS (*)										580,100	200,000
TOTALS	\$ 3,430,822	\$ 6,574,000	\$ 7,292,000	\$ 7,863,000	\$ 6,336,900	\$ 5,493,300	\$ 4,300,000	\$ 4,945,000	\$ 7,492,500	\$ 6,468,600	\$ 5,341,000

HISTORY: ALLOCATION OF INTEREST EARNED FROM BOND SALES

AGENCY	***** pro-rated per project *****									APPROPRIATION	
	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	TOTALS	
AIRPORT	\$ 215,000									\$ 465,000	
DETROIT INSTITUTE OF ARTS		71,000		1,899,560	125,400	100,000	142,000	99,000	100,000	2,670,960	
CIVIC CENTER								200,000		200,000	
AFRICAN-AMERICAN MUSEUM	750,000					200,000		200,000		8,945,000	
FIRE		500,000								1,828,000	
GENERAL SERVICES								1,287,000	1,100,000	2,387,000	
HEALTH						109,000				4,102,000	
HISTORICAL		70,000		235,440		281,000		500,000		1,086,440	
LIBRARY			1,226,000		736,600			1,000,000		2,962,600	
LIGHTING										5,171,000	
PLANNING & DEVELOPMENT		1,761,000						1,000,000		28,360,522	
POLICE		2,000,000								11,588,000	
PUBLIC WORKS		400,000								400,000	
RECREATION	850,000	3,000,000	500,000					2,000,000	1,000,000	15,044,000	
ZOO	800,000	100,000				500,000	3,600,000			5,283,000	
DEBT SERVICE										363,000	
BOND INSURANCE & DISCOUNT										2,558,500	
PROJECT ACCOUNTS (*)										780,100	
TOTALS	\$ 2,615,000	\$ 7,902,000	\$ 1,726,000	\$ 2,135,000	\$ 862,000	\$ 1,190,000	\$ 3,742,000	\$ 6,286,000	\$ 2,200,000	\$ 94,195,122	

GENERAL OBLIGATION BONDS (Free Balances as of October 2008)

DEPARTMENTS	Organization	Bond Sales prior to 1979	Sep 1987 Sale	Nov 1988 Sale	Dec 1989 Sale	Oct 1990 Sale Dec 1990 Sale	Nov 1991 Sale	Dec 1993 Sale- Dec 2005 Sale	TOTAL APPROPRIATED
		4501 Fund	4503 Fund	4504 Fund	4506 Fund	4507 Fund	4508 Fund	4510 Fund	FREE BALANCES (Unencumbered)
AIRPORT								\$2,631,413	\$2,631,413
	100055							\$19,454	
	100205							249,479	
	100206								
	100207								
	100208							1,250,000	
	100209								
	100212							4,606	
	100290							857,874	
	100294							250,000	
	100410								
D.I.A. (also see Non-Departmental)								\$50,374	50,374
	110270								
CIVIC CENTER								\$240,000	240,000
	140055								
CULTURAL, ARTS & TOURISM (Eastern Market)								\$397,700	397,700
	175000								
D.P.W.	190310							\$8,041,137	8,041,137
D.O.T								\$1,340,066	1,340,066
	200375							340,086	
	201100							999,980	
FIRE								\$9,268,136	9,268,136
	240314							4,744,405	
	240315							2,600,000	
	240365							1,000,000	
	240390							(76,269)	
	241314							1,000,000	
GENERAL SERVICES								\$2,961,229	2,961,229
	470150							1,035,936	
	470155							1,925,292	

GENERAL OBLIGATION BONDS (Free Balances as of October 2008)

										TOTAL
										APPROPRIATED
DEPARTMENTS	Organization	Bond Sales prior	Sep 1987 Sale	Nov 1988 Sale	Dec 1989 Sale	Oct 1990 Sale	Nov 1991 Sale	Dec 1993 Sale-	FREE BALANCES	
		to 1979						Dec 2005 Sale	(Unencumbered)	
		4501 Fund	4503 Fund	4504 Fund	4506 Fund	4507 Fund	4508 Fund	4510 Fund		
HEALTH								8,704,688	8,704,688	
	250100							3,001,621		
	250995							5,000,000		
	258858							703,066		
HISTORICAL								25,694	25,694	
	260030									
	260031							25,694		
	260070									
	260090									
	260095									
PLANNING & DEVELOPMENT		\$0	\$8,322	\$0	\$1,153	\$0	\$240,870	17,315,745	17,566,090	
	360035							\$711,370		
	360099							5,500,000		
	360122							5,894		
	360136		8,322							
	360140				\$1,153					
	360150							(297,569)		
	360153							1,657,796		
	360156							900,000		
	360157							2,041,294		
	360159							320,188		
	360161							(133,807)		
	360162							22,628		
	360163							338,269		
	360165							20,000		
	360167							400,000		
	360205						240,870			
	360214							174		
	361377							135		
	362607							196,232		
	362608							167,089		
	362800							2,400,000		
	362801							60,000		
	363105							1,068,218		
	364013							1,100,000		
	364014							837,834		

GENERAL OBLIGATION BONDS (Free Balances as of October 2008)

DEPARTMENTS	Organization	Bond Sales prior to 1979					TOTAL APPROPRIATED		
		Bond Sales prior to 1979 4501 Fund	Sep 1987 Sale 4503 Fund	Nov 1988 Sale 4504 Fund	Dec 1989 Sale 4506 Fund	Oct 1990 Sale Dec 1990 Sale 4507 Fund	Nov 1991 Sale 4508 Fund	Dec 1993 Sale- Dec 2005 Sale 4510 Fund	FREE BALANCES (Unencumbered)
POLICE								31,428,767	31,428,767
	370830							1,588,016	
	370840							28,357,878	
	370842							101,505	
	370844							1,081,368	
	371721							300,000	
PUBLIC LIGHTING								11,249,845	11,249,845
	380080							8,541,630	
	380801							759,115	
	380930							1,949,100	
RECREATION			34,805					3,747,523	3,782,329
	390985							35,000	
	391390							9,500	
	391400							399,726	
	391410							561,886	
	391420							200,795	
	391430							1,720,519	
	391435							476,707	
	391450							41,799	
	391460							(37,832)	
	391470							(17,751)	
	391480							394,549	
	391510							40,312	
	391970		34,805						
	392330							(508,670)	
	398411							30,983	
	399000							400,000	
ZOO								94,044	94,044
	440345								
NON-DEPARTMENTAL									
CHW African-American M	350745							872,254	872,254
DIA	351180							319,998	319,998
Eastern Market	351389							625,000	625,000
Historical	351384							0	0
Historical	351388							2,800,000	2,800,000
Zoo	351385							1,485,000	1,485,000
Debt Service	351380							914	914
APPROP/UNSOLD PROJECTS **									
TOTAL FREE BALANCE		\$0	\$43,128	\$0	\$1,153	\$0	\$240,870	\$103,599,526	\$103,884,677

** Note: There remains no appropriated/unsold balances (all bonds have now been sold). The August, 1995 Bond Sale in which \$50,000,000 was sold and \$76,770,000 was appropriated is the original transaction giving rise to appropriated/unsold balances.
 Note: 4510 Fund includes the FY 2006-07 and FY 2007-08 budgeted amounts. These items will be transferred to a separate fund as the bonds are sold.
 FY 2006-07 activity will be recorded in Fund 4512.

GENERAL OBLIGATION BONDS (Encumbrances as of October 2008):

	Sep 1987 Sale	Dec 1989 Sale	Oct 1990 Sale Dec 1990 Sale	Nov 1991 Sale	Dec 1993 Sale- Aug 2004 Sale	TOTAL
DEPARTMENTS	4503 Fund	4506 Fund	4507 Fund	4508 Fund	4510 Fund	ENCUMBRANCES
AIRPORT					\$140,732	\$140,732
D.I.A. (also see Non-Departmental)						
CIVIC CENTER					388,958	388,958
CULTURAL, ARTS & TOURISM						
D.P.W.					(1,646,868)	(1,646,868)
D.O.T					4,947,585	4,947,585
FIRE					532,976	532,976
GENERAL SERVICES					466,034	466,034
HEALTH					582,032	582,032
HISTORICAL					1,349,520	1,349,520
PLANNING & DEVELOPMENT	52,920	2,314,776		\$217,407	6,355,381	8,940,485
POLICE		\$500			4,581,810	4,582,310
PUBLIC LIGHTING					7,201,802	7,201,802
RECREATION			\$340		1,867,081	1,867,420
ZOO					1,532,893	1,532,893
LIBRARY						
NON-DEPARTMENTAL						
African-American Museum						0
DIA						
Eastern Market					334,441	334,441
Historical					497,761	497,761
Zoo					4,500,000	
Debt Service						
APPROP/UNSOLD PROJECTS						
TOTAL ENCUMBRANCES	\$52,920	\$2,315,276	\$340	\$217,407	\$33,632,137	\$31,718,080

** Note: There remains no appropriated/unsold balances (all bonds have now been sold). The August, 1995 Bond Sale in which \$50,000,000 was sold and \$76,770,000 was appropriated is the original transaction giving rise to appropriated/unsold balances.

CITY OF DETROIT CAPITAL AGENDA SUMMARY BY AGENCY

(in thousands- 000's omitted)

AGENCY NAME	Authorized		(Budget) 2008- 09	***** 5 Year Capital Plan *****					RECOMMENDED 5- YEAR PLAN	Unprogrammed
	Unissued **			2009- 10	2010 -11	2011- 12	2012 -13	2013- 14		
Coleman A. Young Airport	\$ 60	\$ 3,500	\$ 31,786	\$ 10,000	\$ 30,525	\$ 39,375	\$ 24,475	\$ 136,161	\$ 5,824	
Detroit Institute of Arts	-	100	5,000	5,000	5,000	5,000	5,000	25,000	-	
Charles H. Wright Museum of African-American History	-	955	250	705	400	1,200	1,545	4,100	-	
Civic Center	9,000	-	3,600	3,600	3,600	3,500	3,600	17,900	89,678	
Department of Transportation	12,000	22,344	59,399	78,751	217,718	212,325	124,401	692,594	-	
Detroit Transporatation Corporation	5,000	500	-	2,500	2,500	-	-	5,000	33,000	
Department of Public Works	1,570	-	1,700	1,250	500	1,000	1,300	5,750	4,000	
Environmental Affairs	-	-	3,966	3,967	2,966	-	-	10,899	-	
Detroit Fire Department	6,125	5,500	5,250	4,150	6,650	6,650	6,000	28,700	22,000	
General Services Department	-	1,100	3,825	3,950	3,650	2,805	2,033	16,263	17,265	
Department of Health & Wellness Promotion	120	1,500	5,300	4,500	2,000	2,000	2,000	15,800	5,000	
Historical Museum	20	19,700	7,140	4,000	5,000	2,000	3,500	21,640	23,500	
SUBTOTAL	\$ 33,895	\$ 55,199	\$ 127,215	\$ 122,373	\$ 280,509	\$ 275,855	\$ 173,854	\$ 979,806	\$ 200,267	

CITY OF DETROIT CAPITAL AGENDA SUMMARY BY AGENCY

(in thousands- 000's omitted)

AGENCY NAME	Authorized Unissued **	(Budget) 2008- 09	***** 5 Year Capital Plan *****					RECOMMENDED 5- YEAR PLAN	Unprogrammed
			2009- 10	2010 -11	2011- 12	2012 -13	2013- 14		
Detroit Public Library	\$ -	\$ -	\$ 19,500	\$ 9,000	\$ 16,500	\$ 20,500	\$ 15,000	\$ 80,500	\$ 8,500
Municipal Parking Department	-	3,000	7,841	2,500	2,500	2,500	2,500	17,841	4,250
Planning & Development Department	7,795	4,931	20,192	14,705	14,609	19,188	16,006	84,700	112,800
Public Lighting Department	235	7,000	6,595	6,520	5,120	5,370	6,070	29,675	255,550
Detroit Police Department	20,000	17,500	4,500	6,000	6,500	6,500	5,000	28,500	55,500
Recreation Department	-	1,000	9,000	10,000	9,000	9,000	9,000	46,000	269,000
Eastern Market Association	200	3,250	5,000	15,750	2,000	2,000	2,000	26,750	7,000
DWSD- Sewerage Department	-	283,569	407,797	448,993	430,736	283,153	258,020	1,828,699	-
DPW Street Capital	-	411,525	148,869	80,359	38,500	38,500	38,500	344,728	-
DWSD- Water Department	-	278,924	434,616	421,196	373,140	191,889	9,552	1,430,393	436,439
Detroit Zoological Institute	-	7,000	9,250	9,250	7,650	8,400	5,650	40,200	4,400
SUBTOTAL	\$ 28,230	\$ 1,017,699	\$ 1,073,160	\$ 1,024,273	\$ 906,255	\$ 587,000	\$ 367,298	\$ 3,957,986	\$ 1,153,439
GRAND TOTAL	\$ 62,125	\$ 1,072,897	\$ 1,200,376	\$ 1,146,646	\$ 1,186,764	\$ 862,855	\$ 541,152	\$ 4,937,792	\$ 1,353,706

** Note: Authorized Unissued column represent bonds that have been approved by the voters, but remain unsold to date. However, for this Capital Agenda period we are assuming that all bonds previously appropriated have been sold. To date, FY 2008 and 2009 general obligation bonds have not been sold due to a lack of State of Michigan approval.

CITY OF DETROIT CAPITAL AGENDA SUMMARY BY FUNDING SOURCE

(in thousands- 000's omitted)

AGENCY NAME	Authorized Unissued **	(Budget) 2008- 09	***** 5 Year Capital Plan *****					RECOMMENDED 5- YEAR PLAN	Unprogrammed	
			2009- 10	2010 -11	2011- 12	2012 -13	2013- 14			
Aviation Grants										
Coleman A. Young Airport	\$ -	\$ -	\$ 31,276	\$ 9,750	\$ 30,490	\$ 39,000	\$ 24,473	\$ 134,989	\$ -	
Block Grants										
Planning & Development Department	-	4,931	12,692	9,705	9,609	14,188	11,006	57,200	1,000	
Cash Capital										
Coleman A. Young Airport	-	-	134	-	35	-	3	172	-	
Detroit Public Library	-	-	15,500	5,000	1,500	4,500	5,000	31,500	-	
Detroit Transporatation Corporation	-	500	-	-	-	-	-	-	500	
Subtotal	\$ -	\$ 500	\$ 15,634	\$ 5,000	\$ 1,535	\$ 4,500	\$ 5,003	\$ 31,672	\$ 500	
Clean Michigan Initiative/Bond										
Environmental Affairs	\$ -	\$ -	\$ 1,666	\$ 2,667	\$ 2,066	\$ -	\$ -	\$ 6,399	\$ -	
Environmental Protection Agency										
Environmental Affairs	-	-	2,000	1,000	800	-	-	3,800	-	
Federal Grants (HOME)										
Planning & Development	-	-	2,000	-	-	-	-	2,000	-	
Federal Transportation Grants										
Department of Transportation	-	19,725	47,719	63,226	122,795	118,460	74,575	426,775	-	
General Obligation Bonds										
Coleman A. Young Airport	\$ 60	\$ 3,500	\$ 375	\$ 250	\$ -	\$ 375	\$ -	\$ 1,000	\$ 5,824	
Detroit Institute of Arts	-	-	5,000	5,000	5,000	5,000	5,000	25,000	-	
Charles H. Wright Museum of African-American History	-	955	250	705	400	1,200	1,545	4,100	-	
Civic Center	9,000	-	-	-	-	-	-	-	58,210	
Department of Transportation	12,000	-	-	-	-	-	-	-	-	

CITY OF DETROIT

CAPITAL AGENDA SUMMARY BY FUNDING SOURCE

(in thousands- 000's omitted)

AGENCY NAME	Authorized Unissued **	(Budget) 2008- 09	***** 5 Year Capital Plan *****					RECOMMENDED 5- YEAR PLAN	Unprogrammed	
			2009- 10	2010 -11	2011- 12	2012 -13	2013- 14			
General Obligation Bonds										
Detroit Transportation Corporation	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,500
Department of Public Works	1,570	-	1,700	1,250	500	1,000	1,300	5,750		4,000
Detroit Fire Department	6,125	5,500	5,250	4,150	6,650	6,650	6,000	28,700		22,000
Eastern Market Association	200	-	1,000	3,000	2,000	2,000	2,000	10,000		7,000
General Services Department	-	-	3,825	3,950	3,650	2,805	2,033	16,263		17,265
Department of Health & Wellness Promotion	120	1,500	5,300	4,500	2,000	2,000	2,000	15,800		5,000
Historical Museum	20	17,200	-	-	-	-	2,500	2,500		23,500
Detroit Public Library	-	-	4,000	4,000	5,000	4,000	4,000	21,000		8,500
Planning & Development Department	7,795	-	5,500	5,000	5,000	5,000	5,000	25,500		111,800
Public Lighting Department	235	7,000	6,595	5,845	5,120	5,370	6,070	29,000		255,550
Detroit Police Department	20,000	17,500	4,500	6,000	6,500	6,500	5,000	28,500		55,500
Recreation Department	-	-	5,000	6,000	5,000	5,000	5,000	26,000		269,000
Detroit Zoological Institute	-	-	2,500	1,000	3,400	3,400	2,650	12,950		4,400
Subtotal General Obligation Bonds	\$ 62,125	\$ 53,155	\$ 50,795	\$ 50,650	\$ 50,220	\$ 50,300	\$ 50,098	\$ 252,063		\$ 880,049
Michigan Gas & Weight Taxes										
DPW- Street Capital	\$ -	\$ 46,295	\$ 25,273	\$ 24,556	\$ 27,500	\$ 27,500	\$ 27,500	\$ 132,329		\$ -
Other Identified Sources										
Coleman A. Young Airport	-	-	-	-	-	-	-	-		-
Civic Center	-	-	-	-	-	-	-	-		29,736
Detroit Transportation Corporation	-	-	-	2,500	2,500	-	-	5,000		-
DPW- Street Capital	-	46,269	-	-	-	-	-	-		-
Environmental Affairs	-	-	200	200	-	-	-	400		-
Public Lighting	-	-	-	675	-	-	-	675		-
Recreation	-	-	4,000	4,000	4,000	4,000	4,000	20,000		-
Subtotal	\$ -	\$ 46,269	\$ 4,200	\$ 7,375	\$ 6,500	\$ 4,000	\$ 4,000	\$ 26,075		\$ 29,736

CITY OF DETROIT

CAPITAL AGENDA SUMMARY BY FUNDING SOURCE

(in thousands- 000's omitted)

AGENCY NAME	Authorized Unissued **	(Budget) 2008- 09	***** 5 Year Capital Plan *****					RECOMMENDED 5- YEAR PLAN	Unprogrammed
			2009- 10	2010 -11	2011- 12	2012 -13	2013- 14		
Other Identified Sources-State TIP									
DPW- Street Capital	\$ -	\$ 318,962	\$ 123,596	\$ 55,803	\$ 11,000	\$ 11,000	\$ 11,000	\$ 212,399	\$ -
Parking System Reserve Fund									
Municipal Parking Department	\$ -	\$ 3,000	\$ 7,841	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 17,841	\$ 4,250
Private Funds									
Detroit Institute of Arts	-	-	-	-	-	-	-	-	-
Eastern Market	-	3,250	4,000	12,750	-	-	-	16,750	-
Historical Museum	-	2,500	7,140	4,000	5,000	2,000	1,000	19,140	-
Detroit Public Library	-	-	-	-	10,000	12,000	6,000	28,000	-
Detroit Zoological Institute	-	7,000	6,750	8,250	4,250	5,000	3,000	27,250	-
Subtotal	\$ -	\$ 12,750	\$ 17,890	\$ 25,000	\$ 19,250	\$ 19,000	\$ 10,000	\$ 91,140	\$ -
Reinvestment Earnings (Interest Earnings)									
Detroit Institute of Arts	-	100	-	-	-	-	-	-	-
General Services	-	1,100	-	-	-	-	-	-	-
Recreation	-	1,000	-	-	-	-	-	-	-
Subtotal	\$ -	\$ 2,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewal and Replacement Fund									
Civic Center	-	-	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,500	\$ 3,600	\$ 17,900	\$ 1,732
Revenue Supported									
DWSD- Sewerage Department	-	283,569	407,797	448,993	430,736	283,153	258,020	1,828,699	-
DWSD- Water Department	-	278,924	434,616	421,196	373,140	191,889	9,552	1,430,393	436,439
Subtotal	\$ -	\$ 562,493	\$ 842,413	\$ 870,189	\$ 803,876	\$ 475,042	\$ 267,572	\$ 3,259,092	\$ 436,439
State Transportation Grants									
Department of Transportation	\$ -	\$ 2,619	\$ 11,680	\$ 15,525	\$ 94,923	\$ 93,865	\$ 49,826	\$ 265,819	\$ -

CITY OF DETROIT CAPITAL AGENDA SUMMARY BY FUNDING SOURCE

(in thousands- 000's omitted)

(in thousands - 000's omitted)

AGENCY NAME	Authorized Unissued **	(Budget) 2008- 09	***** 5 Year Capital Plan *****					RECOMMENDED 5- YEAR PLAN	Unprogrammed	
			2009- 10	2010 -11	2011- 12	2012 -13	2013- 14			
Unidentified Sources										
Environmental Affairs	-	- \$	100 \$	100 \$	100	-	-	\$ 300	-	
Detroit Police Department	-	-	-	-	-	-	-	-	tbd	
Subtotal	\$ -	\$ -	100 \$	100 \$	100 \$	- \$	-	\$ 300	\$ -	
GRAND TOTAL	\$ 62,125	\$ 1,072,897	\$ 1,200,376	\$ 1,146,646	\$ 1,186,764	\$ 862,855	\$ 541,152	\$ 4,937,792	\$ 1,353,706	

** Note: Authorized Unissued column represent bonds that have been approved by the voters, but remain unsold to date. However, for this Capital Agenda period, we are assuming that all bonds previously appropriated have been sold. To date, FY 2008 and 2009 general obligation bonds have not been sold due to a lack of State of Michigan approval.